

NATIONAL DAIRY MARKET AT A GLANCE

CHICAGO MERCANTILE EXCHANGE (CME) CASH MARKETS (06/15):
BUTTER: Grade AA closed at \$1.9775. The weekly average for Grade AA is \$1.9758 (+.0250).

CHEESE: Barrels closed at \$1.6250 and blocks at \$1.6650. The weekly average for barrels is \$1.6190 (+.0040) and blocks, \$1.6590 (+.0100).

NONFAT DRY MILK: Extra Grade closed at \$1.0300 and Grade A closed at \$1.0400. The weekly average for Extra Grade is \$1.0300 (N.C.) and Grade A, \$1.0400 (N.C.).

BUTTER: The butter market remains firm. There is still concern among producers and handlers as to the relationship between current price levels and inventorying programs. Most are not pleased with current high butter prices, but are aware that if they do not prepare for future orders now, they probably will have difficulty in meeting needs for the final half of the year. Current demand is seasonally fair. Many producers and handlers indicate most orders are for short term needs, although some reports indicate that some buyers are looking beyond the short run.

CHEESE: The cheese market is unsettled, though prices continued to advance at the Chicago Mercantile Exchange cash market. Process demand is generally good and natural is unevenly moderate. Many buyers are limiting purchases to replacement needs and are working down inventory. More producers have an extra load or two of cheese available due to seasonal increases in milk production. However, recent heat in parts of the country is reducing milk and cheese production. Cheese yields are also slipping as fat and protein tests on incoming milk supplies decline.

FLUID MILK: Milk production patterns across the United States are generally following trends of past years for this time of the year. In most of the Eastern half of the country, hot temperatures are being recorded with these conditions negatively impacting milk production in the South. Reports indicate that not only is the hot weather reducing the milk flow, but fat tests and yields on the incoming milk are also falling. In New Mexico, temperatures in the 100 degree range were being reported which are causing heat abatement measures such as misters and fans to be put into usage to provide cows some relief. In Arizona and California, temperatures have moderated, thus overall output is steady with some increases noted in California. In the Pacific Northwest, good rain showers were common over much of the area. The rain was extremely helpful to get crops up and going well. Rain and cooler temperatures were also the rule early in the week in Utah and Idaho. Snow was common over parts of the Salt Lake Basin. This much needed precipitation and moderate temperatures in the Northwestern part of the country were positive for milk production trends. Cream markets remain firm with prices steady to higher. Cream availability varies across the country. East of the Mississippi, surplus cream was tight early in the week, but loosened by midweek. In California, cream offerings are more available. Ice cream production is active and taking cream within and out of the region. Cream demand from butter makers is light to moderate. There are growing concerns across the country over butter pricing

levels and the desire to build butter stocks at these levels.

DRY PRODUCTS: Skim milk powder markets are unsettled to weaker following the recent tilt in the support price of powder. Outside of the Western part of the country, NDM prices are holding steady while weakening in the Western region. Clearances of surplus powder at the higher/old support price continued through midweek from both Midwestern and Western producers. Since that time, no offerings at the lower/new support price have been reported. Buttermilk powder markets are generally steady at unchanged prices. Churning schedules across the country are lower as ice cream production absorbs a large portion of available cream offerings at this time. Condensed buttermilk sales continue to clear a good portion of available buttermilk, thus lighter volumes are being dried. Whey markets are firm with prices holding steady to slightly higher. In the Midwestern part of the country, some prices have surpassed the 30 cent level. Prices have not been at this level since the fall of 1997. Stocks of whey powder are tight. Often, producers are sold out and behind on deliveries.

CCC: During the week of June 11 - 15, CCC net purchases totaled 1,569,331 pounds of Midwestern and Western nonfortified NDM.

SUPPLY AND DEMAND ESTIMATES: Milk production forecasts for 2000/01 and 2001/02 are unchanged this month. Production in 2000/01 is forecast to remain slightly below last year as an expected recovery in milk per cow in the summer will not be sufficient to overcome falling cow numbers. However, production likely will turn up in 2001/02 as output per cow grows and the rate of decline in cow numbers slows. Milk prices in 2000/01 are forecast slightly higher as product prices remain firm. The forecast 2000/01 Class III price is increased to \$12.05-12.25 per cwt. The Class IV price is raised to \$13.60-13.90 due to stronger-than-expected butter prices. The all-milk price is forecast to be \$14.25-14.45. Class IV prices in 2001/02 are raised fractionally from last month as product prices are expected to remain firm into the first part of the year. Nonfat dry milk prices will remain above CCC purchase prices and removals of nonfat dry milk through December 2001 are expected to decline from last month's forecast. The all-milk price for 2001/02 is lowered slightly to \$13.60-14.60.

JANUARY MAILBOX PRICES (USDA/DAIRY PROGRAMS): In January 2001, mailbox milk prices reported for selected reporting areas in Federal milk orders averaged \$12.59 per cwt., \$0.07 more than the figure for the previous month. Compared to November 2000, mailbox milk prices increased \$0.56 per cwt. on the average.

APRIL FLUID MILK SALES (AMS, CDFA): During April, about 4.1 billion pounds of packaged fluid milk products were sold in Federal milk order (FMO) marketing areas and California. This was 0.5% lower than April 2000. On an individual product basis, sales of whole milk and low fat (1%) milk increased from April 2000, while sales of reduced fat (2%) milk, fat-free (skim) milk and buttermilk decreased from a year earlier. On a year-to-date basis, total fluid milk products sold lagged the comparable period last year by 0.5%. The data for both years have been adjusted for calendar composition.

****SPECIALS THIS ISSUE****

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**CHICAGO MERCANTILE EXCHANGE
CASH TRADING**

CHEESE: carload = 40,000-44,000 lbs., **BUTTER:** carlot = 40,000-43,000 lbs.

PRODUCT	MONDAY JUNE 11	TUESDAY JUNE 12	WEDNESDAY JUNE 13	THURSDAY JUNE 14	FRIDAY JUNE 15	WEEKLY CHANGE*	WEEKLY AVERAGE#
CHEESE BARRELS	\$1.6150 (N.C.)	\$1.6150 (N.C.)	\$1.6150 (N.C.)	\$1.6250 (+.0100)	\$1.6250 (N.C.)	+.0100	\$1.6190 (+.0040)
40# BLOCKS	\$1.6500 (N.C.)	\$1.6500 (N.C.)	\$1.6650 (+.0150)	\$1.6650 (N.C.)	\$1.6650 (N.C.)	+.0150	\$1.6590 (+.0100)
BUTTER GRADE AA	\$1.9750 (+.0225)	-----	\$1.9750 (N.C.)	-----	\$1.9775 (+.0025)	+.0250	\$1.9758 (+.0250)

*Sum of daily changes. # Weekly averages are simple averages of the daily closing prices for the calendar week. Computed by Dairy Market News for informational purposes. This data is available on the Internet at WWW.AMS.USDA.GOV/MARKETNEWS.HTM (NOTE: The NDM daily/weekly prices are reported here when changes occur. The Extra Grade price is \$1.0300 and Grade A price is \$1.0400. NDM information remains available at the above internet address.)

CHICAGO MERCANTILE EXCHANGE

MONDAY, JUNE 11, 2001

CHEESE -- SALES: 6 CARS 40# BLOCKS: 1 @ \$1.6475, 2 @ \$1.6500, 1 @ \$1.6475, 1 @ \$1.6450, 1 @ \$1.6500; BIDS UNFILLED: 1 CAR 40# BLOCKS @ \$1.6425; OFFERS UNCOVERED: 12 CARS 40# BLOCKS: 5 @ \$1.6550, 3 @ \$1.6600, 4 @ \$1.6700

BUTTER -- SALES: 9 CARS: 1 @ \$1.9550, 3 @ \$1.9575, 1 @ \$1.9600, 1 @ \$1.9625, 1 @ \$1.9650, 2 @ \$1.9700; BIDS UNFILLED: 5 CARS: 1 @ \$1.9750, 1 @ \$1.9675, 3 @ \$1.9525; OFFERS UNCOVERED: 3 CARS: 1 @ \$1.9800, 1 @ \$1.9900, 1 @ \$2.0000

TUESDAY, JUNE 12, 2001

CHEESE -- SALES: 6 CARS 40# BLOCKS: 2 @ \$1.6450, 2 @ \$1.6475, 2 @ \$1.6500; BIDS UNFILLED: NONE; OFFERS UNCOVERED: 4 CARS 40# BLOCKS: 2 @ \$1.6500, 1 @ \$1.6550, 1 @ \$1.6600

WEDNESDAY, JUNE 13, 2001

CHEESE -- SALES: 6 CARS 40# BLOCKS: 3 @ \$1.6500, 1 @ \$1.6550, 1 @ \$1.6525, 1 @ \$1.6550; BIDS UNFILLED: 1 CAR 40# BLOCKS @ \$1.6650; OFFERS UNCOVERED: 1 CAR BARRELS @ \$1.6150

BUTTER -- SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: 4 CARS: 1 @ \$1.9800, 1 @ \$1.9850, 1 @ \$1.9900, 1 @ \$2.0000

THURSDAY, JUNE 14, 2001

CHEESE -- SALES: 1 CAR BARRELS @ \$1.6200; BIDS UNFILLED: 1 CAR BARRELS @ \$1.6250; OFFERS UNCOVERED: NONE

FRIDAY, JUNE 15, 2001

CHEESE -- SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: NONE

BUTTER -- SALES: 6 CARS: 1 @ \$1.9450, 1 @ \$1.9600, 1 @ \$1.9675, 1 @ \$1.9700, 1 @ \$1.9725, 1 @ \$1.9750; BIDS UNFILLED: 4 CARS: 1 @ \$1.9775, 1 @ \$1.9450, 1 @ \$1.9400, 1 @ \$1.9200; OFFERS UNCOVERED: NONE

Dairy Market News will report CME nonfat dry milk activity only on the sessions when trading occurs.

BUTTER MARKETS**NORTHEAST**

The market tone remains firm. As of this report (6/12), the price for AA butter at the CME has jumped 7 cents since the end of May. There is still some speculation where this market/price will settle, but those people with inventories are content to sit and wait. This year, a good portion of the inventories seems to be in the hands of producers who are holding them for later-in-the-year needs. In the East, output is about steady. More surplus milk is available to manufacturing plants, which usually results in more cream to clear. Demand for cream is improving, but the current price per pound fat is a deterrent to some users. Retail demand for butter is slow to fair as prices are often well above \$3.00 per pound. Food service orders are settling into typical summer levels. Sales of bulk butter, f.o.b. East, are reported in a range of 3.5 – 8.0 cents over the CME price/average.

CENTRAL

The market tone remains firm. Most producers and handlers continue to take advantage of available cream offerings, especially if reasonably priced, although many producers are not going out and looking for additional volumes. Butter stocks are building gradually, but continue to lag last year at this time. Overall butter sales are referred to as fair. Retail and food service orders continue to be placed for basically replacement needs. Some orders are somewhat heavier

than current needs require with these buyers holding onto the additional volumes for future use, when possibly overall butter supplies tighten. Retail buying patterns are reported to be fairly steady. Some scattered retail feature activity is occurring, but no significant sales volumes are being reported. When available, bulk butter for spot sale is selling in a price range of 3 – 5 cents per pound over various pricing bases, although most producers and handlers are holding additional stocks with confidence.

WEST

New orders for bulk butter to move out of the region are slow to develop at this time. More comments are noted about the high prices. Print sales are fair at best with some businesses reordering after the early summer holiday. Production of butter is up at some locations because of schools closing for the summer recess. Churning is heavier in California after the new price announcement for the June-July time period. Ice cream sales are strong. CME weekly butter stocks increased 2.2 million pounds this past week. They are up 19.8 million pounds in the eight weeks since Easter (2.5 million pound average per week). Last year, stocks began to fall seasonally in week 26, while two years ago they began to fall in week 22. Current prices for bulk butter nominally range from 3 cents under to flat market based on the CME with various time frames and averages involved.

NASS DAIRY PRODUCT PRICES
U.S. AVERAGE AND TOTAL POUNDS

WEEK ENDING	CHEESE		NDM	BUTTER	DRY WHEY
	40# BLOCKS	BARRELS 38% MOISTURE			
JUNE 9	1.5979 7,866,456	1.5991 8,781,011	1.0171 18,024,476	1.9098 2,628,151	0.2731 11,572,847

Further data and revisions may be found on the internet at: <http://jan.mannlib.cornell.edu/reports/nassr/price/dairy>

CHEESE MARKETS

NORTHEAST

Prices for process and natural cheddar items continue their upward trend. The market tone remains firm. The CME weekly average for 40# blocks has increased 19 of the 24 weeks this year (2001) and the average barrel price has increased 21 times. Cheese output in the Northeast is steady to slightly higher now that milk production is at its annual peak and schools are starting to recess for the summer. Demand for cheese is fair, but often improved by the widespread, June Dairy Month promotions currently in effect. Also, food service orders are improved seasonally. Restaurants are preparing for Fathers' Day business. Cheese makers' stocks are more than adequate to meet current needs.

WHOLESALE SELLING PRICES: DELIVERED,
DOLLARS PER POUND (1000 - 5000 POUNDS MIXED LOTS)

Cheddar 10# Prints	:	1.6950-2.1650
Cheddar Single Daisies	:	1.6525-2.1125
Cheddar 40# Block	:	1.7900-1.9725
Process 5# Loaf	:	1.8275-1.9875
Process 5# Sliced	:	1.8475-2.1050
Muenster	:	1.8550-2.0625
Grade A Swiss Cuts 10 - 14#	:	2.3500-2.5500

MIDWEST

The cheese market is unsettled to weak. More producers are seeing a slowdown in orders and/or a little extra production, which is leading to increased plant level inventory. This has also lead to a recent increase in the volume of offerings/sales at the Chicago Mercantile Exchange spot cheese market. In the current \$1.60s, few speculators want to increase inventory and are limiting purchases to replacement needs. However, some producers are planning for anticipated sharp seasonal declines in their milk supply in another month or two, depending on weather. Barrel and process demand remains generally stronger than on natural varieties. A few more producers have extra loads of mozzarella and/or blocks available. Milk intakes are generally higher though cheese production is partially offset by steady to lower cheese yields. After languishing for much of the spring, some plants are noticing more of an increase in week-to-week milk receipts from regular sources and from bottlers.

WISCONSIN WHOLESALE SELLING PRICES: DELIVERED,
DOLLARS PER POUND (1000 - 5000 POUNDS MIXED LOTS)

Process American 5# Loaf	:	1.8350-1.9800
Brick And/Or Muenster 5#	:	1.9500-2.2450
Cheddar 40# Block	:	1.9400-2.1150
Monterey Jack 10#	:	2.1400-2.2725
Blue 5#	:	2.3900-2.5700
Mozzarella 5 - 6# (Low Moisture, Part Skim)	:	1.9600-2.2150
Grade A Swiss Cuts 6 - 9#	:	2.2450-2.6850

WEEKLY COLD STORAGE HOLDINGS-SELECTED STORAGE CENTERS
IN THOUSAND POUNDS - INCLUDING GOVERNMENT STOCKS

**Corrected wire due to a reported data adjustment for reports 22 and 23 on the cheese totals only. The correction on the May 28 report triggered the change for the June 4 report and the June 1 U.S. estimate.

REPORT 22**		REPORT 23**	
	: CHEESE		: CHEESE
05/28/01	: 125,326**	06/04/01	: 128,355
05/01/01	: 122,899	06/01/01	: 127,749**
CHANGE	: 2,427**	CHANGE:	: 606**
% CHANGE	: 2*	% CHANGE	: N.C.**

The revised expected U.S. holdings as of June 1, 2001 is: Cheese 533** million pounds plus or minus 2.83 percent

	BUTTER	: CHEESE
06/11/01	38,352	: 130,862
06/01/01	27,814	: 127,749
CHANGE	10,538	: 3,113
% CHANGE	38	: 2

WEST

Prices for natural and process cheese have increased for the thirteenth consecutive week. Milk supplies for processing have declined after the holiday weekend, but they are picking up in those areas that are seeing schools close for the summer recess. Current blocks are clearing very well. Barrels are doing all right, but demand for processing solids has slowed down unless deep discounts are offered. Contacts note that cash cheese prices are holding steady, but that the Class III milk futures prices have declined by about \$1.80 in the last week. People are curious if this is an indicator of things to come or if it is only "profit taking". Swiss sales are normal for this time of the year. Demand for mozzarella remains excellent.

WHOLESALE SELLING PRICES: DELIVERED, DOLLARS PER POUND
(1000 - 5000 POUNDS MIXED LOTS)

Process 5# Loaf	:	1.7650-2.0250
Cheddar 40# Block	:	1.7725-1.9350
Cheddar 10# Cuts	:	1.9525-2.1725
Monterey Jack 10#	:	1.9625-2.1225
Grade A Swiss Cuts 6 - 9#	:	2.3500-2.5400

FOREIGN

Prices for domestic styles increased again this week. The market tone is mixed, mostly steady despite the price increases. Demand is slow to fair, but imported processing cheeses continue to draw interest due to the high price for cheddar at the CME. Cheese output in the EU continues its expansion. Reports indicate that EU cheese output during January and February (combined) was 3.5% more than the same period a year ago. France, Germany, Austria, and Denmark have shown the largest percentage increases over a year ago. The Netherlands and Italy did see cheese output drop. Much of this increasing output seems to be for internal use as EU exports fell during the first two months of 2000.

WHOLESALE SELLING PRICES: FOB DISTRIBUTORS DOCK
DOLLARS PER POUND (1000 - 5000 POUNDS, MIXED LOTS)

		NEW YORK	
VARIETY	:	IMPORTED	: DOMESTIC
Roquefort	:	TFEWR	: -0-
Blue	:	2.6400-3.1400	: 1.9975-3.4925*
Gorgonzola	:	3.2400-5.9400	: 2.4900-2.5650*
Parmesan (Italy)	:	TFEWR	: 3.4125-3.4375*
Romano (Italy)	:	2.1000-2.9900	: -0-
Provolone (Italy)	:	3.4400-5.5000	: 2.0050-2.2250*
Romano (Cows Milk)	:	-0-	: 3.1875-5.3650*
Sardo Romano (Argentina)	:	2.6500-3.2900	: -0-
Reggianito (Argentina)	:	2.6500-3.2900	: -0-
Jarlsberg-(Brand)	:	2.7400-3.5900	: -0-
Swiss Cuts Switzerland	:	-0-	: 2.3500-2.5500
Swiss Cuts Finnish	:	2.5900-2.8500	: -0-
Swiss Cuts Austrian	:	2.2500-2.7500	: -0-
Edam	:	:	:
2 Pound	:	TFEWR	: -0-
4 Pound	:	2.1900-3.0900	: -0-
Gouda, Large	:	2.3900-2.6800	: -0-
Gouda, Baby (\$/Dozen)	:	:	:
10 Ounce	:	27.8000-31.7000	: -0-

* = Price change.

MIDWEST COMMODITY CHEDDAR

Dollars per pound, standard moisture basis (37.8-39.0%),
carlot/trucklot, F.O.B. plants or storage centers.

CHEDDAR STYLES : JUNE 11 - 15, 2001

BARRELS*	:	\$1.6150 - 1.6300 (NOMINAL)
	:	(-\$.0025)
40# BLOCKS	:	\$1.6500 - 1.6800 (NOMINAL)
	:	(\$.0125) (.0050)

() Change from previous week. * If steel, barrel returned.

FLUID MILK AND CREAM

E A S T

Spot shipments of Grade A milk into or out of Florida and other Southeastern states

	THIS WEEK		LAST WEEK		LAST YEAR	
	IN	OUT	IN	OUT	IN	OUT
FLORIDA	0	85	0	120	0	50
SOUTHEAST STATES	0	0	0	0	0	0

Hot weather is covering much of the East and it is, particularly in the South, taking its toll on the cows and milk production. Also, tropical storm Allison caused a lot of flooding in and around Texas and Louisiana, which disrupted off-farm and finished product delivery schedules. The Northeast is getting its first real taste of summer and the milk flow is steady to slightly lower. Contacts report that the hot weather is not only reducing the milk flow, but fat tests and yields on the incoming milk are falling. Few schools are still in full session, which is pushing bottled milk schedules into "summer mode." Florida handlers continue to ship milk out of state for processing, but the volumes are down about a third from last week. Overall, bottled milk sales are slow to fair. Surplus milk volumes are not as heavy as past weeks, particularly in the Southeast. The condensed skim market is weaker as supplies increase and spot demand is often slower. More suppliers report having wet solids to sell, but buyers are not as eager to purchase. There have been more reports of reduced prices being offered to keep condensed skim from the dryers. Other producers are drying more rather than lower prices below their costs. Class II prices, despite a higher Class II milk price, are steady to lower. Formula prices are unchanged, but prices on spot loads are quite a bit lower than formula/contract prices. Fewer Class III sales are being reported, but product is being delivered in the low "eighties." Buyers, at this time, are not willing to pay much more than that. The fluid cream market is firmer this week. Spot prices are generally higher as the CME average did increase 4.33 cents last week. Offerings are tighter. Typically, cream supplies are tight early in the week and long later. This week, most contacts report having no cream to sell after Wednesday. The aforementioned falling milk production, lower fat tests, and less standardization at bottling plants are all reasons for this tighter supply. Also, demand is holding at relatively good levels. The hot weather is pushing ice cream consumption, particularly soft serve. Most ice cream plants are operating on seasonally heavy schedules. Production of cream cheese is steady to heavier. Bottled cream sales are about steady, but expected to improve in coming weeks. Churning activity is steady to lighter. Some butter plants are not buying outside cream at current multiples.

FLUID CREAM AND CONDENSED SKIM PRICES IN TANKLOT QUANTITIES

SPOT PRICES OF CLASS II CREAM, \$ PER LB BUTTERFAT

F.O.B. PRODUCING PLANTS: NORTHEAST	-	2.4580-2.6531
DELIVERED EQUIVALENT ATLANTA	-	2.4385-2.6141 M 2.4775-2.5360
F.O.B. PRODUCING PLANTS: UPPER MIDWEST	-	2.5550-2.6531

PRICES OF CONDENSED SKIM, \$ PER LB WET SOLIDS

F.O.B. PRODUCING PLANTS:	
NORTHEAST- CLASS II - INCLUDES MONTHLY FORMULA PRICES	- 1.0500-1.1500
NORTHEAST- CLASS III - SPOT PRICES	- .8000-.9600

M I D W E S T

Along with hail and heavy rains, there are reports of several producers losing barns to high winds during a storm on June 11. At least some were reportedly able to secure a nearby barn to continue milking. Also, a few plants were damaged or lost power, mainly in Minnesota and Wisconsin. The plant shutdowns were mostly minor, but set back production schedules for up to several hours. However, the plant problems did cause additional surplus loads to backup and prices were discounted to clear the extra. Reported spot manufacturing prices ranged from around \$1.00 over for storm sales to \$1.50 - 1.85 over for regular sales. Class I demand is easing lower with most, if not all, schools closed for the summer. Class I sales are generally at expected summer levels. A pair of Wisconsin loads were shipped to supplement milk supplies in Kentucky. Class II condensed skim prices reported are \$1.1275 - 1.1400. Some weakness was noted on a limited test of Class III skim prices in order to move extra volumes rather than dry. Cream demand is strong as

users, including ice cream, are at heavy summer schedules. A few sellers are passing on small increases in cream multiples. Milk production is well past the spring peak (if any) in the mid-tier of states. According to some operations in the southern sections of Minnesota and Wisconsin, the spring peak has likely come and gone with more northern sections at or approaching the annual peak level. Hot and humid conditions at midweek are stressing cows and receipts from producers are slipping. Somatic cell counts are also slightly elevated for many producers. Wet field conditions continue to stymie farmers trying to plant or replant crops or harvest first cutting alfalfa. Most of the first cutting has been of less than stellar quality unless harvested very early or was chopped between showers. Many flat locations, including fields, continue to "shine in the sun" due to water coverage.

WISCONSIN LIVESTOCK AUCTIONS (PER CWT.)

	JUNE 7 - 13	PREVIOUS YEAR
SLAUGHTER COWS	\$ 42.00- 47.50	\$ 38.00- 45.50
REPLACEMENT HEIFER CALVES	\$370.00-500.00	\$300.00-360.00

SOUTH ST. PAUL TERMINAL AUCTION MARKET (PER CWT.)

	JUNE 7 - 13	PREVIOUS YEAR
SLAUGHTER COWS	\$ 44.00- 50.50	\$ 37.00- 48.50

W E S T

The July Class 1 prices in California range from \$17.01 in the north to \$17.29 in the south. The statewide average Class 1 price based on production is \$17.07. The average is \$0.35 higher than June and \$2.51 higher than July 2000. California milk production is seeing slight recoveries following milder weather conditions across most of the milk producing areas. Reports of milk coming back 2% or more are common. Levels are trending above last year at this time, more affected by higher cow numbers than production per cow. Processors continue to have plant problems, but there is enough capacity in the state to move extra milk. Hot weather in New Mexico is creating problems for milk production in the state. Temperatures over 100 degrees are causing heat abatement measures such as misters and fans to be put into usage to provide cows some relief. Milk cows are being added in the state, but buyers are traveling to find them and paying top dollar. Producers are welcoming higher milk prices. Second cutting of hay is progressing well. Arizona milk production is level this week as weather conditions are slightly more favorable. Temperatures are cooling more at nighttime. Levels continue to be below a year ago. Processing capacity is adequate to handle milk. Western cream markets remain unsettled and demand mixed. Cream offerings are available in most areas. Ice cream production is active and taking cream within and out of the region. Cream demand from butter makers is light to moderate. There are some concerns over butter pricing levels and the desire to build butter stocks at these levels. Western cream multiples range from 120 to 134. Good rain showers were common over most of the Pacific Northwest this past week. The rain was extremely helpful to get crops up and going well. Some corn is now up to two feet tall. Pastures were aided greatly. Hay re-growth is progressing well. New crop hay is available from out of the Columbia Basin, but nothing is coming out of eastern Oregon yet. Temperatures down into the teens were recorded in that region last week. Hay prices continue to show strength. Milk production in the region is continuing to increase slowly. Plants are not having any problems processing milk this early summer in an orderly fashion. Very high cow and heifer prices are enticing some medium sized Pacific Northwest herds to sell out and many of the animals are ending up in Idaho. Rain and cooler temperatures have also been the rule early in the week in Utah and Idaho. Snow was common over parts of the Salt Lake basin. It didn't stay on the ground very long and the moisture was very welcome. At elevation, a foot of snow was common. Rainfall was generally around an inch. Some irrigation systems shut down for a few days because of the rain and that will extend the season a few days on the other end. Much of the first cutting of hay is finished up and some areas are even starting on the second cutting. Yields on dry land hay were very disappointing and they are not expecting any additional re-growth. Average heifer prices at some sales in the region are about \$1950 with the top end noted at \$23-2400. Demand is expected to remain strong as producers continue to fill existing facilities and to populate new expansions.

CENTRAL AND WEST DRY MILK PRODUCTS

All reports, except California manufacturing plants, were released 06/14/01 and represent FOB Central and Western production areas. Prices represent CL/TL quantities for domestic and export sales packaged in 25 kg. or 50 lb. bags, or totes, spray process, dollars per pound.

NONFAT DRY MILK - CENTRAL

Prices are unchanged on a generally steady market. Offers to the CCC continue as producers take advantage of the last week of the \$1.0032 NDM support price. Spot trading is very light. Purchases are generally on an as needed basis as prices are anticipated to slowly adjust lower in response to the tilt change. However, producers are not anticipating any price adjustments until late fall as CCC offers are expected to cease. Production is steady to higher with some problems noted due to recent storms in the Midwest. Inventories are in balance with current interest. High heat demand is good with most product clearing on a contractual basis.

Includes EXTRA GRADE and GRADE A, low and medium heat

NONFAT DRY MILK: 1.0025 - 1.0650 MOSTLY: 1.0275 - 1.0500

DRY BUTTERMILK - CENTRAL

Prices are unchanged on a generally steady market. Trading is very light and some price resistance is being noted. A few end users running long are reselling supplies below the range. Traders are cautiously watching the market with anticipation that the market may change in response to NDM adjustments from the change in the tilt. Churning activity is decreasing as more cream clears into ice cream. Lower butter volumes decrease the available condensed buttermilk supplies that are also clearing well into ice cream. Production of dry product is unchanged to lower. Inventories are mostly in balance with some operations holding loads to sell.

BUTTERMILK: 1.0550 - 1.1300

DRY WHEY - CENTRAL

Prices are higher on a firm market. The last time the top of the range reached 30 cents was in late September 1997. Supplies remain tight. Buyer price resistance is being noted and spot trading is slower compared to last week. Reseller premiums are lower and comparable to manufacturer prices. Production is mostly steady with producers anticipating volume declines as warm summer temperatures deter milk output. Veal operations are running long on supplies. Food operations are generally in balance and seeking additional loads. Export movement is slowing at the higher prices yet product continues to clear well, especially into Mexico. Off grade supplies are tight for the good demand.

NONHYGROSCOPIC: .2900 - .3025 MOSTLY: .2925 - .2975

ANIMAL FEED WHEY - CENTRAL

Prices are unchanged to higher on a firm market. Milk replacer and roller ground prices are moving higher with changes in the Extra Grade market. Feed buyers are expressing more resistance as prices continue to increase. Delactose production is generally unchanged with some locations attempting to build supplies in anticipation of production problems in the humid summer months. Demand continues strong with feed accounts requesting additional loads when possible. Early weaned pigs are trading lower and the North Central veal market is trending steady to weak.

MILK REPLACER: .2450 - .2875
ROLLER GROUND: .2725 - .3000
DELACTOSE (Min. 20% protein): .4150 - .4300

LACTOSE - CENTRAL AND WEST

Prices are unchanged on a firm market. Export and domestic inquiries are generally good. Supplies are in balance to tight with some producers shorting product on contractual loads. EU supplies are reportedly tight, limiting US competition on export markets. Third quarter negotiations are underway with some finalized contracts being reported at the average to higher. Feed interest is good, especially as whey prices trend higher and permeate supplies tighten. Off grade supplies are limited and generally slightly below the lower end of the range.

Including spot sales and up to 3 month contracts. Mesh size 30 - 100.

EDIBLE: .1675 - .2300 MOSTLY: .1925 - .2025

WHEY PROTEIN CONCENTRATE - CENTRAL AND WEST

Prices are unchanged to lower on a steady to weak market. Price expectations for the sell back remain mixed with many potential buyers avoiding bidding this time around to see first what kind of product is available. Feed buyers are bidding lower on spot loads and working to renegotiate contract loads in anticipation of the available lower priced WPC substitute from the sell back. Most producers are resisting lower prices and enforcing contractual arrangements. However, some product displaced due to a kosher standing traded at a discount and totes, predominantly used in feed applications, are also being traded lower at some locations. Food demand is good with some producers unable to satisfy spot interest and shorting contractual loads. Negotiations for the third quarter are commencing. Production is steady to lower due to storm power outages at some locations. Resale and off grade offers are increasing for the good demand.

EXTRA GRADE 34% PROTEIN: .7750 - .8250 MOSTLY: .7900 - .8000

NONFAT DRY MILK - WEST

Low/medium heat NDM prices are lower in both the range and mostly series, reflecting lower producers' selling prices this week. There remains unsettledness to the market caused by the fallout from the CCC lowering the support price from \$1.0032 to \$.9000 per pound. The new price is now effective for all offerings to the CCC, should they occur. There have been no offerings to this point at the new price. However, the sense of lower prices has buyers making minimal purchases beyond contracted amounts. Purchasers see only downward pressure on pricing levels. Production is fair in the region. Prices are lower on the top end of the high heat price series. Spot trading volumes are light and prices are at nominal levels. Contacts are contemplating high heat strategy with the recent change in the support price. Producers want to keep stocks minimal to avoid price exposure and continue to make to order or schedule. During the week of June 4 - 8, CCC net purchases totaled 7.3 million pounds of nonfortified NDM, 6.1 million from the West.

Includes EXTRA GRADE and GRADE A

LOW/MEDIUM HEAT: .9900 - 1.0300 MOSTLY: 1.0000 - 1.0250
HIGH HEAT: 1.0450 - 1.0800

DRY BUTTERMILK - WEST

Prices are higher for both the range and mostly series. The market tone is steady to slightly firm. There is more cream moving to ice cream production, creating less butter churning and less buttermilk available. Demand is fair. There are some buyers looking for buttermilk for the extra fat in it, but others are using substitute ingredients instead. Lower NDM prices are also noted, but not affecting the dry buttermilk prices. Stocks are mostly light.

BUTTERMILK: 1.0400 - 1.0900 MOSTLY: 1.0500 - 1.0800

DRY WHEY - WEST

Prices held fully steady from last week for Western whey powder. Producer inventory levels appear to be mixed. Some plants report being sold out while others do have some whey on hand. Domestic sales activity is reported to be steady at good levels. The further east you go in the country the tighter whey stocks are. Existing export sales activity continues to clear, but new sales are slower to develop. Buyers overseas are having trouble making prices this high work for them. The quarterly whey tender for the Far East last week was postponed because of some conflicts on where the origin of the product could be because of herd health issues. The tender has been rescheduled for the end of June. Most contacts believe that US prices are too high to be successful in bidding at this time.

NONHYGROSCOPIC: .2500 - .2750 MOSTLY: .2650 - .2700

CALIFORNIA MANUFACTURING PLANTS - NONFAT DRY MILK

WEEK ENDING	PRICE	POUNDS
June 8	\$1.0098	12,439,801
June 1	\$1.0099	14,017,109

Prices are weighted averages for Extra Grade and Grade A Nonfat Dry Milk, f.o.b. California manufacturing plants. Prices for both periods were influenced by effects of long-term contract sales. Compiled by Dairy Marketing Branch, California Department of Food and Agriculture.

NORTHEAST, SOUTHEAST, AND NATIONAL MILK PRODUCTS

All reports represent carlot/trucklot quantities for domestic and export sales in 25 kg. or 50 lb. bags, and totes, spray process, dollars per pound, unless otherwise specified. Delivered Southeast is delivered equivalent Atlanta.

NONFAT DRY MILK - NORTHEAST AND SOUTHEAST

Prices are steady and nominal in the Northeast. The market tone is unsettled since "the tilt" was changed at the end of May. Contacts expect prices to fall, but many contacts (producers and buyers) really do not see that happening for at least a month or two. There is much speculation regarding what is going to happen or what individuals would like to see happen to NDM prices. A large portion of the country's NDM is sold based on a "NASS average" and that isn't expected to change dramatically during June and July. Buyers/users, nervous about possible lower prices are working down their stocks before reordering. They do not want to purchase too far ahead. Current demand at the producing plant is slower. Drying schedules are up slightly as condensed skim offerings in the Northeast are outpacing demand. Producers' stocks of NDM are light to adequate. After a long absence, NDM futures began trading yesterday (6/12) at the Chicago Mercantile Exchange. Activity was light and settling prices for the last six months of this year settled in the mid 90's.

Includes EXTRA GRADE AND GRADE A

F.O.B. NORTHEAST:

LOW/MEDIUM HEAT: 1.0325 - 1.0900 MOSTLY: 1.0375 - 1.0650

HIGH HEAT: 1.0600 - 1.1100 MOSTLY: 1.0650 - 1.1000

DELVD SOUTHEAST:

ALL HEATS: 1.0625 - 1.1500

DRY BUTTERMILK - NORTHEAST AND SOUTHEAST

Prices and the market tone are unchanged. Churning activity is light to moderate as cream supplies have tightened during this past week. Producer stocks are closely balanced for the steady, mostly contractual demand. Some spot, LTL sales have been noted, but the lack of spot truckload sales is keeping the Northeastern prices nominal. Demand is little changed from the past few weeks.

F.O.B. NORTHEAST: 1.0450 - 1.0600

DELVD SOUTHEAST: 1.0850 - 1.1550

DRY WHOLE MILK - NATIONAL

Prices are mostly steady and the market tone is unchanged. Prices are nominal as few spot sales are being reported. Production continues to be geared toward meeting contract shipping schedules. Spot demand is limited and producer stocks remain closely balanced.

F.O.B. PRODUCING PLANT: 1.4400 - 1.6000

DEIP BID ACCEPTANCE SUMMARY

JULY 1, 2000 THROUGH JUNE 8, 2001
WITH CHANGES FROM PREVIOUS REPORT

NONFAT DRY MILK - 68,201 MT (150,355,925 LBS)
This program-year allocation is filled.

CHEESE - 3,030 MT (6,679,938 LBS)
This program-year allocation is filled.

Allocations for the DEIP year beginning July 1, 2000: Nonfat dry milk - 68,201 MT; Cheese - 3,030 MT; Butterfat - 21,097 MT.

DRY WHEY - NORTHEAST AND SOUTHEAST

Prices are higher again this week and the market tone remains firm. More contacts comment about the spiraling prices and how long the upward trend will continue. Eastern producers are, for the most part, sold out and some are behind on delivery schedules. Cheese and whey production levels are easing now that surplus milk supplies have reached or are past the peak. Also, the higher temperatures in part of the region are having an impact on dryer efficiencies at some operations. Demand for dry whey is good, but being tempered by the high prices. Some contacts have reported that there have been instances in the resale market that prices are slightly undercutting producer prices. This may be happening because: production is slowing, stocks are tight, and speculators/traders may want to "take some profit." Because we are entering summer, most contacts don't expect stocks to loosen or prices to drop, in the near future. There have been reports that some feed users are offering good quality, dry whey (not at a discount) as way to lower their stocks.

F.O.B. NORTHEAST: EXTRA GRADE .2875 - .2950

USPH GRADE A .2850 - .2925

DELVD SOUTHEAST: .3175 - .3400

EVAPORATED MILK - NATIONAL

Prices and the market tone are unchanged. Production levels are a little slower as surplus milk volumes are tightening seasonally. The hot weather across much of the country is having more of an effect on milk production, which in turn, impacts the volumes moving into manufacturing channels. Demand for canned evaporated milk is slow to fair, but some buyers are buying now, ahead of anticipated higher prices later in the year.

DOLLARS PER 48 - 12 FLUID OUNCE CANS PER CASE DELIVERED
MAJOR U.S. CITIES \$22.00 - 33.00

Excluding promotional and other sales allowances. Included new price announcements.

CASEIN - NATIONAL

Casein markets remain firm. Domestic stocks continue to be reported as in close balance with some buyers indicating that they are starting to rebuild inventories. For the most part, Oceania deliveries are being shipped and received as scheduled, while European shipments remain variable. Although milk production in Europe has not developed as well as projected, casein producers are somewhat more confident that they will be able to meet customer needs.

SPOT SALES AND UP TO 3 MONTH CONTRACTS. PRICES ARE FOR
EDIBLE NONRESTRICTED AND VARY ACCORDING TO MESH SIZE AND
QUALITY.

RENNET: 2.4500 - 2.6500

ACID: 2.4500 - 2.6500

JUNE MILK SUPPLY AND DEMAND ESTIMATES*

Milk production forecasts for 2000/01 and 2001/02 are unchanged this month. Production in 2000/01 is forecast to remain slightly below last year as an expected recovery in milk per cow in the summer will not be sufficient to overcome falling cow numbers. However, production likely will turn up in 2001/02 as output per cow grows and the rate of decline in cow numbers slows. Milk prices in 2000/01 are forecast slightly higher as product prices remain firm. The forecast 2000/01 Class III price is increased to \$12.05-12.25 per cwt. The Class IV price is raised to \$13.60-13.90 per cwt. due to stronger-than-expected butter prices. The all-milk price is forecast to be \$14.25-14.45 per cwt. Class IV prices in 2001/02 are raised fractionally from last month as product prices are expected to remain firm into the first part of the year. Nonfat dry milk prices will remain above CCC purchase prices and removals of nonfat dry milk through December 2001 are expected to decline from last month's forecast. The all-milk price for 2001/02 is lowered slightly to \$13.60-14.60 per cwt.

Item	1999/00 1/	2000/01 Projection 1/		2001/02 Projection 1/	
		May	June	May	June
SUPPLY		BILLION POUNDS			
BEGINNING COMMERCIAL STOCKS 2/	7.4	8.9	8.9	7.9	7.7
PRODUCTION	167.4	165.5	165.5	169.2	169.2
FARM USE	1.3	1.3	1.3	1.2	1.2
MARKETINGS	166.1	164.2	164.2	168.0	168.0
IMPORTS 2/	4.6	4.7	4.7	4.7	4.7
TOTAL COMMERCIAL SUPPLY 2/	178.2	177.8	177.8	180.6	180.4
USE					
COMMERCIAL USE 2/ 3/	168.5	169.7	169.9	172.4	172.2
ENDING COMMERCIAL STOCKS 2/	8.9	7.9	7.7	8.0	8.0
CCC NET REMOVALS:					
MILKFAT BASIS 4/	0.8	0.3	0.3	0.2	0.2
SKIM SOLIDS BASIS 4/	8.5	5.7	5.8	2.3	1.9
		DOLLARS PER CWT.			
MILK PRICES 5/					
BASIC FORMULA/CLASS III PRICE 6/	9.99	11.75-11.95	12.05-12.25	11.90-12.90	11.90-12.90
CLASS IV 7/	11.51	13.50-13.80	13.60-13.90	12.10-13.30	12.15-13.35
ALL MILK 8/	12.61	14.10-14.30	14.25-14.45	13.65-14.65	13.60-14.60
		MILLION POUNDS			
CCC PRODUCT NET REMOVALS 4/					
BUTTER	11	0	0	5	5
CHEESE	17	16	16	6	6
NONFAT DRY MILK	690	475	485	195	155
DRY WHOLE MILK	34	3	3	0	0
	QUARTERLY 9/			ANNUAL 9/	
	2001 II	2001 III	2001 IV	2001	2002
MILK PRODUCTION	42.8	40.7	41.1	165.9	169.9
		DOLLARS PER CWT.			
ALL MILK PRICE 5/ 8/	15.20-15.40	15.85-16.35	15.80-16.60	15.05-15.45	13.20-14.20
CLASS III PRICE 5/ 6/	13.50-13.70	14.80-15.30	13.70-14.50	13.15-13.55	11.60-12.60
CLASS IV PRICE 5/ 7/	14.75-14.95	14.50-15.00	13.85-14.65	13.95-14.35	11.85-12.85

NOTE: Totals may not add due to rounding. 1/ Marketing year beginning October 1. 2/ Milk equivalent, milkfat basis. 3/ Includes commercial exports. 4/ Includes products exported under Dairy Export Incentive Program. 5/ Projections indicate a range of the average for the quarter or year. 6/ Basic Formula Price (BFP) through December 31, 1999; Federal milk order Class III price beginning January 1, 2000. 7/ Federal milk order

Class IV price. 8/ Milk of average fat test. Does not reflect any deductions from producers as authorized by legislation. 9/ Calendar year basis projection.

* The World Agricultural Supply and Demand Estimates were approved by the Interagency Commodity Estimates Committee. The members for Dairy are: Shayle Shagam, Chairperson, WAOB; John Mengel, AMS; Authur Coffing, FAS; James Miller, ERS; and Daniel Colacicco, FSA.

SOURCE: "World Agricultural Supply and Demand Estimates," WASDE-375, World Agricultural Outlook Board, USDA, June 12, 2001.

**MAILBOX MILK PRICES FOR SELECTED REPORTING AREAS IN FEDERAL MILK ORDERS
AND CALIFORNIA, JANUARY 2001, WITH COMPARISONS**

Editor's Note: In an effort to provide mailbox price information that we believe would be more meaningful and useful, we have decided to collect and publish such data for reporting areas that are smaller than Federal-milk-order-wide. Included in this report are those areas for which the data were available at press time. Additional areas will be included in future reports. Federal-milk-order-wide prices are being discontinued.

In January 2001, mailbox milk prices reported for selected reporting areas in Federal milk orders averaged \$12.59 per cwt., \$0.07 more than the figure for the previous month. Compared to November 2000, mailbox milk prices increased \$0.56 per cwt. on the average.

Reporting Area <u>1/</u>	Mailbox Milk Price <u>2/</u>		
	November 2000	December 2000	January 2001
	<u>Dollars per hundredweight</u>		
Appalachian States <u>3/</u>	14.55	14.61	14.63
Ohio	12.61	12.99	13.02
Michigan	12.34	12.77	12.85
Illinois	11.64*	12.12	12.36
Wisconsin	11.53*	12.28	12.37
Minnesota	11.57*	12.25	12.33
Corn Belt States <u>4/</u>	11.51*	12.11	12.19
Western Texas <u>5/</u>	12.41	12.85	13.12
New Mexico	11.72	11.88	12.21
Idaho	10.63	10.98	11.14
Utah	10.57	11.04	11.37
Northwest States <u>6/</u>	12.16	12.61	12.39
All Federal Order Areas <u>7/</u>	12.03	12.52	12.59
California <u>8/</u>	12.13	12.34	12.01

* Information is revised.

1/ Information is shown for those areas for which prices are reported for at least 75% of the milk marketed under Federal milk orders. The price shown is the weighted average of the prices reported for all orders that received milk from the area.

2/ Net pay price received by dairy farmers for milk. Includes all payments received for milk sold and all costs associated with marketing the milk. Price is a weighted average for the reporting area and is reported at the average butterfat test. 3/

Includes Kentucky, North Carolina, South Carolina, Tennessee, and Virginia. Data for Nov. and Dec. are for the Appalachian Federal milk order. 4/ Includes Iowa, Kansas, and Nebraska. 5/ All counties to the west of Fanin, Hunt, Van Zandt, Henderson, Anderson, Houston, Cherokee, Nacogdoches, and Shelby. 6/ Includes Oregon and Washington. 7/

Weighted average of the information for all selected reporting areas in Federal milk orders. 8/ Calculated by California Department of Food and Agriculture, and published in "California Dairy Information Bulletin."

APRIL FLUID MILK SALES

During April, about 4.1 billion pounds of packaged fluid milk products were sold in Federal milk order (FMO) marketing areas and California. This was 0.5 percent lower than April 2000. On an individual product basis, sales of whole milk and low fat (1%) milk increased from April 2000, while sales of reduced fat (2%) milk, fat-free (skim) milk and buttermilk decreased from a year earlier. The data for both years have been adjusted for calendar composition.

Editor's Note: This data also can be found at www.ams.usda.gov/dairy/mmhos.htm.

**PACKAGED SALES OF FLUID MILK PRODUCTS IN MARKETING AREAS DEFINED BY
FEDERAL MILK ORDERS AND CALIFORNIA, APRIL 2001, WITH COMPARISONS ^{1/}**

Product Name/ Marketing Area (Order Number) ^{2/}	Sales		Change from: ^{3/}	
	Apr	Year to date	Previous Year	Year to Date
	Mil.lbs		Percent	
Whole Milk ^{4/}	1,457	6,025	0.1	-1.0
Reduced Fat Milk (2%)	1,304	5,431	-0.4	0.8
Low Fat Milk (1%) ^{5/}	691	2,890	1.2	0.5
Fat-Free Milk (Skim)	633	2,606	-2.5	-2.5
Buttermilk	45	185	-4.9	-5.6
Total Fluid Milk Products ^{2/}	4,137	17,165	-0.5	-0.5
Northeast (001)	786	3,251	-1.1	-0.9
Appalachian (005)	277	1,161	-1.1	-2.6
Southeast (007)	397	1,649	0	-0.4
Florida (006)	234	975	0.9	1.7
Mideast (033)	512	2,145	-6.0	-3.9
Upper Midwest (030)	350	1,464	-0.7	-0.1
Central (032)	383	1,572	2.7	2.0
Southwest (126)	336	1,386	0.8	0.3
Arizona-Las Vegas (131)	101	413	2.6	3.2
Western (135)	70	295	2.8	-1.2
Pacific Northwest (124)	175	724	0.6	1.0
California (---)	518	2,132	1.2	-0.2

^{1/} These figures are representative of the consumption of fluid milk products in Federal milk order marketing areas and California, and represent approximately 93 percent of total fluid milk sales in the United States. ^{2/} Sales by product are for all marketing areas combined. Individual marketing area data is for total fluid milk products. Total fluid milk products include the products listed plus miscellaneous products and eggnog. ^{3/} Percent changes have been adjusted for calendar composition. ^{4/} Includes flavored whole milk. ^{5/} Includes flavored fat-reduced milk.

SOURCE: Monthly summaries of *Federal Milk Order Market Statistics*, AMS, USDA, and *California Dairy Information Bulletin*, California Agricultural Statistics Service and Milk Stabilization Branch.

CCC PURCHASES OF DAIRY PRODUCTS (POUNDS)

	FOR THE WEEK OF JUNE 11 - 15, 2001			CUMULATIVE TOTALS		UNCOMMITTED INVENTORIES#	
	TOTAL PURCHASES	CONTRACT ADJUSTMENTS	ADJUSTED PURCHASES	SINCE 10/01/00	SAME PERIOD LAST YEAR	WEEK ENDING 06/08/01	SAME PERIOD LAST YEAR
BUTTER							
Bulk	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Packaged	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Unsalted	-0-	-0-	-0-	-0-	-0-	-0-	-0-
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-	-0-
CHEESE							
Block	-0-	-0-	-0-	3,050,083	1,247,594	-0-	-0-
Barrel	-0-	-0-	-0-	4,025,276	-0-	-0-	-0-
Process	-0-	-0-	-0-	3,999,600	5,583,600	-0-	-0-
TOTAL	-0-	-0-	-0-	11,074,959	6,831,194	-0-	-0-
NONFAT DRY MILK							
Nonfortified	2,378,256	908,093	1,470,163	318,304,825	357,410,987	556,600,000	-0-
Fortified	99,168	-0-	99,168	28,151,091	5,313,347	38,128,000	-0-
TOTAL	2,477,424	908,093	1,569,331	346,455,916	362,724,334	594,728,000	-0-

#Although an uncommitted inventory of NDM has continued to exist for some time, it has not been reported due to CCC's efforts to utilize all NDM purchased under price support.

MILK EQUIVALENT, FAT SOLIDS BASIS, OF ADJUSTED PURCHASES (MILLION POUNDS)

	MILKFAT*	SKIM**		MILKFAT*	SKIM**
	BASIS	SOLIDS		BASIS	SOLIDS
WEEK OF JUNE 11 - 15, 2001 =	0.3	18.3	COMPARABLE WEEK IN 2000 =	3.0	140.0
CUMULATIVE SINCE OCTOBER 1, 2000 =	178.4	4,142.4	CUMULATIVE SAME PERIOD LAST YEAR =	142.9	4,289.7
CUMULATIVE JANUARY 1 - JUNE 15, 2001 =	61.9	2,659.8	COMPARABLE CALENDAR YEAR 2000 =	131.6	3,696.6

* Factors used for Fat Solids Basis Butter times 21.80; Cheese times 9.23; and Nonfat Dry Milk times 0.22
 **Factors used for Skim Solids Basis Butter times 0.12; Cheese times 9.90; and Nonfat Dry Milk times 11.64

CCC ADJUSTED PURCHASES FOR THE WEEK OF JUNE 11 - 15, 2001 (POUNDS)

REGION	BUTTER			CHEESE			NONFAT DRY MILK	
	BULK	PACKAGED	UNSALTED	BLOCK	BARREL	PROCESS	NONFORTIFIED	FORTIFIED
MIDWEST	-0-	-0-	-0-	-0-	-0-	-0-	487,017	-0-
WEST	-0-	-0-	-0-	-0-	-0-	-0-	983,146	99,168
EAST	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-

CCC ADJUSTED PURCHASES SINCE 10/1/00 AND SAME PERIOD LAST YEAR (POUNDS) AND MILK EQUIVALENT AS A PERCENT OF TOTAL

REGION	BUTTER		CHEESE		NONFAT DRY MILK		MILK EQUIVALENT (%)	
	2000/01	1999/00	2000/01	1999/00	2000/01	1999/00	2000/01	1999/00
MIDWEST	-0-	-0-	5,995,440	6,750,666	5,176,799	43,190,119	31.7	50.3
WEST	-0-	-0-	5,039,919	80,528	341,279,117	315,304,139	68.1	49.1
EAST	-0-	-0-	39,600	-0-	-0-	4,230,076	0.2	0.6
TOTAL	-0-	-0-	11,074,959	6,831,194	346,455,916	362,724,334	100.0	100.0

SUPPORT PURCHASE PRICES FOR DAIRY PRODUCTS PRODUCED ON OR AFTER MAY 31, 2001

MANUFACTURING MILK Average Test 3.67% - \$9.90 per cwt.; 3.5% - \$9.80

BUTTER Bulk \$.8548 per pound; 1# Prints \$.8848

CHEESE 40 & 60# Blocks \$1.1314 per pound; 500# Barrels \$1.1014; Process American 5# \$1.1839; Process Am. 2# \$1.2239

NONFAT DRY MILK Nonfortified \$.9000 per pound; Fortified \$.9100; Instant \$1.0575

U.S. Dairy & Total Cow Slaughter under Federal Inspection, by Regions, for Week Ending 05/26/01 & Comparable Week 2000

Regions* (000 HEAD)	U.S. TOTAL										% DAIRY OF ALL	
	1	2	3	4	5	6	7	8	9	10	WEEK SINCE JAN 1	WEEK SINCE JAN 1
2001-Dairy	0.2	0.6	5.1	5.1	19.3	2.1	2.0	0.7	9.3	1.9	46.3	42.2
2000-Dairy	0.2	0.9	5.6	4.7	20.3	2.1	0.6	0.6	9.9	2.8	47.7	48.1
2001-All cows	0.2	0.8	6.9	16.1	28.5	14.4	18.7	4.9	12.6	6.4	109.6	44.0
2000-All cows	0.3	1.1	7.6	14.6	29.3	17.5	14.7	4.2	13.1	5.9	108.3	49.7

SOURCE The slaughter data are gathered and tabulated in a cooperative effort by the Agricultural Marketing Service, The Food Safety and Inspection Service, and the National Agricultural Statistics Service, all of USDA.

CLASS III (2000) AND BFP (1998-99) MILK PRICES, (3.5% BF, \$/CWT. FOR COMPARISON PURPOSES ONLY)

YEAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
1998	13.25	13.32	12.81	12.01	10.88	13.10	14.77	14.99	15.10	16.04	16.84	17.34
1999	16.27	10.27	11.62	11.81	11.26	11.42	13.59	15.79	16.26	11.49	9.79	9.63
2000	10.05	9.54	9.54	9.41	9.37	9.46	10.66	10.13	10.76	10.02	8.57	9.37

FEDERAL MILK ORDER CLASS PRICES FOR 2001 (3.5% BF)

CLASS	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
I 1/	13.99	11.94	12.65	13.44	14.21	14.99						
II	12.82	13.43	14.17	15.10	15.72							
III	9.99	10.27	11.42	12.06	13.83							
IV	12.13	12.70	13.46	14.41	15.04							

1/ Specific order differentials to be added to this base price are located at: www.ams.usda.gov/dairy/mib/class_prod_milk_comp_pr.htm